

PROPERTY TAX EXEMPTION

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: James A. Ferrin

LONG TITLE**General Description:**

This bill modifies the Property Tax Act to provide an exemption for property used, controlled, and possessed by a school district or charter school.

Highlighted Provisions:

This bill:

- provides that property that is not owned but is used, controlled, and possessed by a school district or charter school is exempt from property tax.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an effective date.

Utah Code Sections Affected:

AMENDS:

59-2-1101, as last amended by Chapters 169 and 286, Laws of Utah 2002

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-2-1101** is amended to read:

59-2-1101. Exemption of certain property -- Proportional payments for government-owned property -- County legislative body authority to adopt rules or ordinances.

(1) (a) Except as provided in Subsection (1)(b), the exemptions, deferrals, and



abatelements authorized by this part may be allowed only if the claimant is:

(i) the owner of the property as of January 1 of the year the exemption is claimed~~[-]; or~~

(ii) for purposes of Subsection (2)(i), the school district or charter school that uses, controls, and possesses the property as of January 1 of the year the exemption is claimed.

(b) Notwithstanding Subsection (1)(a), if the claimant is a federal, state, or political subdivision entity under Subsection (2)(a), (b), or (c), the entity shall collect and pay a proportional tax based upon the length of time that the property was not owned by the entity.

(2) The following property is exempt from taxation:

(a) property exempt under the laws of the United States;

(b) property of the state, school districts, and public libraries;

(c) property of counties, cities, towns, special districts, and all other political subdivisions of the state, except as provided in Title 11, Chapter 13, Interlocal Cooperation Act;

(d) property owned by a nonprofit entity which is used exclusively for religious, charitable, or educational purposes;

(e) places of burial not held or used for private or corporate benefit;

(f) farm equipment and machinery;

(g) intangible property; ~~and~~

(h) the ownership interest of an out-of-state public agency, as defined in Section 11-13-103, in property providing additional project capacity, as defined in Section 11-13-103, on which a fee in lieu of ad valorem property tax is payable under Section 11-13-302~~[-]; and~~

(i) in addition to property that is exempt under Subsection (2)(b), property that is not owned but is used, controlled, and possessed by a school district or charter school.

(3) A county legislative body may adopt rules or ordinances to:

(a) effectuate the exemptions, deferrals, abatements, or other relief from taxation provided in this part; and

(b) designate one or more persons to perform the functions given the county under this part.

Section 2. **Effective date.**

This bill takes effect on January 1, 2005, only if H.J.R. 26, Resolution Providing Property Tax Exemption, is passed by the Legislature during the 2004 General Session and

59 approved by the voters at the 2004 regular general election.

Legislative Review Note
as of 2-9-04 8:07 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0360

Property Tax Exemption*16-Feb-04**12:57 PM*

State Impact

Passage of this bill could reduce local property tax revenues by \$130,000. There would be a corresponding decrease in the Uniform School Fund expenditures necessary to support charter school property tax payments.

Individual and Business Impact

No significant fiscal impact.

Office of the Legislative Fiscal Analyst